

U.S. House and Senate Notification
Friday, October 1, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Subject: CMS Issues Medicaid and CHIP Guidance and Congressionally Mandated Report on Children's Health Quality

The Centers for Medicare & Medicaid Services (CMS) is pleased to announce the release of guidance on several issues related to Medicaid and the Children's Health Insurance Program (CHIP), as well as a congressionally mandated report on children's health quality.

- **State Plan Amendment (SPA) Review Process** - Federal statute and regulations require CMS to review and approve State Plan amendments (SPAs) before a State may implement Medicaid program modifications. The attached letter to State Medicaid Directors describes the revised SPA review process that CMS has developed in consultation with States. The new process will make possible more expeditious review of SPAs, giving States the opportunity to resolve programmatic questions that are outside the scope of the proposed SPA separate from the review process.
- **Recovery Audit Contractor (RAC) Program** - Section 6411 of the Affordable Care Act requires State Medicaid agencies to establish programs, by December 31, 2010, to contract with RACs to audit Medicaid providers and review Medicaid claims submitted by providers of services. The letter released today provides guidance to States regarding the parameters of the RAC programs and a draft Medicaid State plan preprint for submission to CMS to assist States in establishing their RAC programs.
- **CHIPRA Performance Bonus Payments** - The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) created performance bonus payments for States implementing at least five of eight program features that are known to simplify and improve the Medicaid and CHIP application and renewal process. In addition, States must demonstrate an increase in Medicaid enrollment above a baseline level each year. The letter to State Health Officials provides answers to frequently asked questions that CMS has received and provides information about the process for submitting bonus payment applications to CMS for FFY 2010.
- **CHIPRA Quality Report** - As required by CHIPRA, the Secretary of Health and Human Services yesterday released the first annual CHIPRA Quality Report, providing State and national information on the quality of health care furnished to children under Medicaid and CHIP. The report also includes information on current State reporting of quality measures. The report is available at:

http://www.cms.gov/MedicaidCHIPQualPrac/02_Spotlight.asp#TopOfPage.

If you have any questions, please contact the CMS Office of Legislation. Thank you.